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Tax Probe Begin on CIA Funds House Unit Orders Foundations Inquiry

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WASHINGTON, Feb. 22. A new congressional investigation into the role played by tax-exempt foundations in the disbursement of Central Intelligence Agency funds was ordered today by Rep. Joe L. Evins (D., Tenn.), chairman of the House Select Committee on Small Business.

Evins declared the inquiry will be made by a subcommittee headed by Rep. Wright Patman.

In 1964, Patman (D., Tenn.) directed a subcommittee investigation which turned up the fact that the CIA was giving money to the J. M. Kaplan Fund, a New York foundation. Patman then described the Kaplan fund as "a conduit for channeling CIA funds."

The Kaplan fund is among private agencies that have figured prominently in the latest disclosures that academic and international organizations received money from foundations serving as conduits for the CIA.

"TAX EXEMPT foundations disbursed \$2.2 billion in gifts and grants from 1961 to 1964," Evins said today.

"The select committee will be reconvened shortly to look into the part played by foundations in the disbursement of CIA funds," he continued.

"We would like to determine whether they were bonafide disbursements in keeping with the purposes for which the foundations were established."

Evins said the CIA charter specifies that funds granted it are to be utilized for overseas operations.

However, he added, there are no restrictions on spending CIA funds here if the basic purpose is for an overseas operation.

"There has been added interest in operation of some of the tax-exempt foundations in view of the recent disclosures," Evins added. "I feel our committee can be of service by perhaps recommend-

ing tighter controls over the tax-exempt foundations."

AN ADDI to Evins said the new inquiry will not "pry" into legitimate, high-high secret operations of the CIA.

The controversy over private organizations and foundations linked with the CIA exploded last week with admission by the National Student Association that it had received funds from the intelligence agency since 1962.

Subsequent disclosures prompted demands in Congress and from other sources for full inquiry of the CIA's operations in these areas. A special three-man Presidential panel and several congressional committees are already studying the question.

Foundations identified as conduits for the CIA have been contributing millions since the 1950s to a wide range of academic, research, journalism, business, labor, youth and student organizations here and abroad.